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today was not written for publication and is  
not binding precedent of the Board

Paper No. 31

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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Ex parte NICKY HULL  
and DAK LIYANEARACHCHI

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Appeal No. 2002-1865  
Application 09/452,678

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HEARD: October 22, 2002

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Before THOMAS, LALL, and GROSS, Administrative Patent Judges.  
THOMAS, Administrative Patent Judge.

DECISION ON APPEAL

Appellants have appealed to the Board within 35 U.S.C. § 134  
since the examiner has at least twice rejected claims 1-54  
presently on appeal.

Representative claim 1 is reproduced below:

1. A computer implemented method, comprising the steps of:  
  
determining if a set of items purchased by a customer  
satisfies a combination purchase requirement, wherein said  
combination purchase requirement requires purchase of a set of  
items including a first item sponsored by a first sponsor and a  
second item sponsored by a second sponsor;

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upon determining that said set of items purchased satisfies said purchase requirement, providing to said customer a benefit associated with said combination purchase requirement; and

debiting said first sponsor of a first amount and debiting said second sponsor of a second amount in response to a redemption of said benefit.

The following references are relied on by the examiner:

|                          |                             |               |
|--------------------------|-----------------------------|---------------|
| Schultz et al. (Schultz) | 5,056,019                   | Oct. 8, 1991  |
| Baker, III               | 5,864,822                   | Jan. 26, 1999 |
|                          | (filing date June 25, 1996) |               |

Claims 1-54 stand rejected under 35 U.S.C. § 103. As evidence of obviousness, the examiner relies upon Schultz and Baker.

Rather than repeat the positions of the appellants and the examiner, reference is made to the brief and reply brief as well as the answer.

#### OPINION

In sustaining the rejection of the claims on appeal under 35 U.S.C. § 103, we do so for the reasons set forth by the examiner in the answer, as embellished upon here.

At the outset, it appears that appellants have argued all claims on appeal in the principal brief. As noted by the examiner at the bottom of page 2 of the answer, method and system

independent claims 1 and 28 respectively define the first embodiment with corresponding subject matter. The same is true of independent claims 20 and 47 and their respective dependent claims. All this has been identified by the examiner at the top of page 3 of the answer.<sup>1</sup>

Appellants' initial argument in the paragraph bridging pages 7 and 8 of the principal brief on appeal that there are "different sponsors" recited in each claim on appeal is misplaced. There is no such corresponding limitation in each of the corresponding independent claims 1, 20, 28 and 47. The mere recitation of a first sponsor and a second sponsor does not require that the sponsors be different. According to the bottom of specification page 6 in the context of defining what the term "sponsor" encompasses, appellants go on to state at lines 17 and 18 that "[e]ach item in the combination of the several items may be manufactured, marketed or promoted by different entities" (emphasis added). Therefore, in the context of the claimed and disclosed invention, there is clearly no requirement that the

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<sup>1</sup> From our study of the claims on appeal, it appears that claim 54, rather than depending from claim 34, should probably depend from claim 53 to correspond to dependent claims 26 and 27.

sponsors be different. As such, in the context of the claims on appeal, the recited first and second items may be associated with the same sponsor.

Claim 1 requires a purchase of a minimum of a first and a second item, whereas independent claim 20 may be construed to require only the purchase of one item because the use of the qualifying language "one or more qualifying items." In another sense, however, claim 20 may be or is internally inconsistent since it appears to require, on the one hand, that an accumulated discount may apply to the purchase of only one qualifying item, but is defined to further include a first item and a second item. Again, the recitation in independent claims 20 and 47 does not require that the first and second sponsors be different.

In the context of these considerations, appellants' discussion of the prior art at pages 1 and 2 of the specification as filed is very telling. Whereas, on the one hand, appellants recognize that the majority of prior art coupons used by customers apply to single-purchased items, usually the manufacturer is construed as the sponsor of the promotion. On the other hand, it has also been recognized that retail sales promotions may also be offered "which provide a discount if a customer purchases a specified combination of items." Thus, it

appears to be known that a single discount may be given to a customer purchasing a specified combination of plural items. The discussion goes on in the paragraph bridging pages 1 and 2 that these multiple item promotions give the customer "a choice of items which he or she may purchase and receive a benefit." The discussion continues by indicating that it was known in the art to provide multiple item promotions involving items to be purchased that were promoted by different entities. The recitation of the customers receiving "a benefit" in the claims on appeal does not exclude the possibility that the benefit received by the customer may be more than one benefit from the same manufacturer or sponsor rather than an apparent intended context that a single benefit would be received by a customer from plural different manufacturers, which the admitted prior art appears to indicate anyway was known in the art. The claims clearly do not require that only a single benefit be received by the purchaser anyway.

All of these considerations are pertinent to the arguments presented by appellants beginning at page 7 of the principal brief on appeal and repeated somewhat in the reply brief. The claims do not require different sponsors. Nor do the claims require a single benefit received from plural sponsors. The

claims encompass the concept known in the prior art of the same or different entities providing single or multiple benefits to a single customer whether the customer purchases a single or plural or a specified combination of items.

As to the applied prior art, the examiner's reasoning and responsive arguments emphasize that it is Schultz which provides the sophisticated accounting system to keep track of rewards and the like for purchasers according to the automated tracking system discussed in detail in Schultz. Like the examiner, we agree with the examiner's basic reasoning that it would have been obvious for the artisan to have combined the basic teaching concepts of Baker into the overall system of Schultz to enhance Schultz's extensive accounting system. The advantage of Baker is the indication of a clear teaching of correlating or otherwise apportioning benefits received by an individual consumer based upon plural clearly separate or different sources of goods or services, "sponsors" in the context of the claimed invention. We also note that in the paragraph bridging specification pages 12 and 13, appellants consider it "obvious" to modify existing prior art consumer benefit systems.

The identified section at column 6 of Baker relied upon by the examiner in the rejection clearly indicates to us that

different types of sources or product offerings are provided from different sponsors to a common consumer by means of a common association to a given organization to which the customer is a member. Thus, we do not agree with the appellants' assertions in the principal brief and those focused upon at page 6 of the reply brief that no cross sponsorship of individual benefits for the purchase of a combination of goods and services is taught according to the identified portion at column 6, lines 9 to 31 of Baker. Even in the context of the teachings of Schultz, one of the desirable aspects of his teachings is that a single or total earnings reward is provided to a customer by means of "a" rewards certificate. Certain common benefits are also provided to the user in Baker by the user's membership in a sponsoring organization. This clearly may be construed as a single benefit to the customer or member. This is consistent with the interpretation of representative claim 1 on appeal that the benefit may be construed (unlike claims 20, 47) as a future or present benefit because Baker provides clearly a current purchase benefit to the user as recited in at least dependent claim 2 on appeal, and Schultz makes clear that a future accumulated discount or benefit may be earned by the use of the rewards certificate for the customer to the extent recited in independent

claims 20, 47 on appeal. Obviously, within 35 U.S.C. § 103, it would have been highly desirable to provide both types of benefits to the customer in the common system environment.

Although indicated earlier that we affirm the rejection for the reasons set forth by the examiner as embellished upon here, it is thus apparent that upon a careful analysis of the claims, the admitted prior art, and further teachings of the applied prior art, there is no need for the examiner to have asserted at the bottom of page 4 of the answer that Schultz does not teach that the combination purchase requirement includes a first item with the first sponsor and a second item with the second sponsor. This presumes that the sponsors are different according to the examiner's implicit interpretation of the claims, with which we do not agree because the claims do not require that the sponsors be different. Moreover, as we indicated earlier, and as we shall presently show in Schultz, there is an indication that the prior art knew that the same or different sponsors may provide benefits for the same or plural purchases of the same item or different items.

Column 1 of Schultz begins a discussion of the prior art which clearly indicates that it was known in the art to provide a multiple purchase discount for a customer buying plural products



or services. This is emphasized at the bottom of column 4 in the Summary of the Invention where it indicates that manufacturers are known to provide incentive rewards for purchases of specific quantities of their products as a condition of fulfillment of the benefit. Moreover, the examiner's identified portions of Schultz at column 5 are equally as telling. Column 5, lines 60-66 states:

In the preferred embodiment of the marketing method, the purchase reward offers 2 require multiple purchases of a particular product type or brand, but a reward offer 2 may be offered for the purchase of a single item. The purchase reward offers 2 may also offer a reward for the combined purchases of several different products.

In the context of Schultz as a whole and the discussion of plural manufacturers as sponsors, it is clear to us that this reference also contemplates or suggests plural different manufacturers may provide plural different sales benefits to a purchaser under various specific conditions of fulfillment. We do not read Schultz as a whole as being limited only to a single manufacturer providing a benefit to the customer. Clearly, the ultimate end result of one aspect of the teachings of Schultz is to provide a single reward certificate based on the customer meeting various conditions of fulfillment for the single or

plural purchase of the same item or different items from the same or plural, different manufacturers or sources.

Moreover, we find persuasive the examiner's reliance upon the statement at column 5, lines 20-22 which indicates that "manufacturers of the participating products are invoiced for their portion of the rewards earned." In contrast to appellants' urgings in the brief and reply brief, we find this a persuasive teaching that the different sponsors are debited corresponding amounts for their respective benefits provided to the common rewards system according to the requirement at the end of the independent claims on appeal.

Individual manufacturer apportionment of costs for a given benefit are also taught at column 9 at least at lines 8-24 of Schultz. In terms of apportioning cost, Baker suggests that the benefit provided to the consumer by membership in a common organization would implicitly require the apportionment of the costs of the benefit to the various providers since it would have been obvious to us that the provider of a hotel accommodation would have provided a subsidy or benefit to a corresponding airline according to the example at column 6 of Baker. We read Baker as clearly indicating that the single

benefit to a consumer of purchasing, for example, an airline ticket with a corresponding stay at a related hotel has been share-costed to the respective sponsors.

In terms of the teachings and suggestions of Schultz as well, the discussion identified by the examiner in the top half of column 8 of this reference suggests that various sponsors may include retailers as well as the manufacturers of the products to be sold because of the extensive collection of data both in the participating retail store 20, the processing done on an intermediate basis at the program management computer system 4, as well as the central management firm 3 in the Figures 1 and 2 embodiments of Schultz. There are significant databases available from which records and data histories may be derived. Individual consumer histories are taught throughout Schultz as well as the history of the product purchases generally discussed in the column 8 location identified by the examiner. Accumulated purchase histories are known in the art anyway as discussed in the paragraph bridging specification pages 11 and 12.

The paragraph bridging pages 4 and 5 of the answer is a location where the examiner states that Schultz does not explicitly teach applying a benefit to current purchases as recited in dependent claim 2 and other dependent claims.

Although this is the same general reading that we have of this reference, we do not see any patentable distinction as to this claimed feature since it appears that this would have been an obvious enhancement or incentive for the customer to be offered this by an individual retailer as well as our view expressed earlier in this opinion that Baker appears to teach a current benefit anyway. However, the paragraph bridging specification pages 1 and 2 indicates a current benefit is available in the prior art for current purchases.

The examiner's recognition at page 5 of the answer that the references do not appear to teach a purchase requirement comprising a subset of a plurality of items as set forth in dependent claims 4 and 31 overly limits the art. This aspect of the present claims appears to be known in the art in accordance with the discussion we outlined earlier in this opinion as admitted by appellants in the paragraph bridging pages 1 and 2 of the specification as filed. The discussions in Baker as well appear to indicate that there is a tiered system in which more benefits are provided to customers the more the total cost of purchases have been increased by the consumer. We do not construe the database arrangement in Figure 1 of Baker (customers, enabling organizations and benefit correlation data)

as requiring that a given consumer utilize all of a given set of benefits available to him or her based upon membership in a common organization at the same time or any given single purchase.

We turn to appellants' arguments with respect to some or all the dependent claims. As to claim 3, for example, because Schultz is explicit according to our earlier identification at column 5 of indicating that the particular manufacturers are separately invoiced for their portion of a common rewards program, we do not agree with appellants' assertion that it would not have been obvious for the manufacturers to have previously agreed to the respective degree of sponsorship. As to dependent claim 5, Baker makes clear that mere membership of a customer in an organization provides certain "free" benefits to the customer. We agree with the examiner's views that it would have been obvious to have provided a free item as a special attraction to customers anyway. It has long been the practice, for example, for various credit card companies to provide free life insurance when an airline ticket has been purchased by the use of the credit card. The examiner's correlation of the features taught in the references to the other dependent claims is made clear in the answer and is not challenged in the reply brief.

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In view of the foregoing, the decision of the examiner  
rejecting all claims on appeal under 35 U.S.C. § 103 is affirmed.

No time period for taking any subsequent action in  
connection with this appeal may be extended under 37 CFR  
§ 1.136(a).

AFFIRMED

|                             |   |                 |
|-----------------------------|---|-----------------|
| James D. Thomas             | ) |                 |
| Administrative Patent Judge | ) |                 |
|                             | ) |                 |
|                             | ) |                 |
|                             | ) |                 |
| Parshotam S. Lall           | ) | BOARD OF PATENT |
| Administrative Patent Judge | ) | APPEALS AND     |
|                             | ) | INTERFERENCES   |
|                             | ) |                 |
|                             | ) |                 |
| Anita Pellman Gross         | ) |                 |
| Administrative Patent Judge | ) |                 |

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